St. Mary Rehabilitation Working Group Meeting September 1, 2006 9 a.m. – 11:15 a.m. Havre City Hall

Welcome and Introductions:

Lt. Governor Bohlinger, Don Wilson, Dolores Plumage, Paul Tuss, Dave Peterson, Mike Barthel, Gary Anderson, Randy Reed, Max Maddox, Matt McCann, Jim Rector, John Lacey Marko Manoukian, Michael DesRosier, Steve Page

Staff & others: Larry Mires, Brandi Beecher, Paul Azevedo, Judy Edwards, John Tubbs, Anne Yates

Review and Approval of Meeting notes:

- Brandi reviewed August 17, 2006 meeting notes.
- SMWG approved August 17, 2006 meeting notes by consensus.

Discussion on Economic Facts Sheet.

- Steve gave his view on the fact sheets and felt the production statistics shouldn't be used because the Milk River would not have been developed for irrigated agriculture with out the St. Mary/Milk River Project; thus, skewing the agricultural statistics. Steve felt the agriculture figures are underestimated.
- Larry said it is important to use percentages instead of actual figures so everyone is consistent.
- Steve said it is important to show the other aspects of the project including recreation, wildlife, municipalities, etc. Agricultural numbers are fairly insignificant when comparing to other benefits of the project.
- Lt. Governor said argument is well stated and it is important for all of the water users to pay a proportional share of the cost.
- Paul A. said the Dufield report is a preliminary economic analysis. Additional economic analysis would be undertaken as part of a future environmental impact statement.
- Steve said most farms are owned by livestock operators; figures are after the production has been sold. Without livestock, farms wouldn't exist, and without farms, livestock wouldn't exist.
- Paul A. added that the important thing to take from the fact sheet is that potential long term benefit of the project far exceeds the cost of the project.

Comments from Congressman Denny Rehberg

- Congressman Rehberg discussed his strategy to promote the St. Mary/Milk River legislation to the Appropriations Committee.
- Rehberg added, he will work on all aspects of the project, environmental issues, Native American issues, recreation issues and agriculture.
- Rocky Boy North Central Montana Regional water project was the only new water project that received both authorization and appropriation in the nation.
- Discussed the procedure for passing legislation in both House and Senate and apportionment of dollars available to House and Senate members.
- He understands the variances in dry land and irrigated farming.
- Congress recognizes there is an aging infrastructure problem; need to show that the St. Mary project is the worst project and needs immediate attention. Congress recognizes the problems, but needs to find the money to fix it.

Approved Meeting Notes

Field Hearing Information/Protocol

- Heather Stefanik discussed protocol for the field hearing. There will be opening statements from Senator Domenici, Congressman Rehberg, Senator Burns and local stakeholders
- Audience is asked to be very quiet, no clapping, or comments.
- Written comments need to be emailed to Sarah Converse by September 8th or faxed in. Hard copies can also be submitted to Sarah.
- Energy Committee is scheduled to have a final markup on September 13.
- Discussed the markup procedure. Several bills will be brought up, then changes will be made if needed, and Committee votes on bill. If passes, will be moved to Senate floor.
- Witnesses will be Randy Reed, Lt. Governor Bohlinger, Ft. Belknap President Doney, Blackfeet Chairman Old Person and Mayor Rice.
- Sarah added media will be at field hearing, so be prepared to answer media questions.

Senator Max Baucus Message

- Kristina Davis of Senator Max Baucus' office reported it is important for Montana's Congressional Delegation to continue to work together.
- Advised to make sure the information is correct, and continue to work with SMWG.
- Passed out copies of Senator Max Baucus' written comments and read the comments.

Testimony Discussion

- John Tubbs said it is important to bring out the three reasons that you are at the table.
 - o Find workable solutions for rehabilitating the St. Mary Diversion Faciliteis.
 - o Work with Blackfeet tribe on environmental issues.
 - o Look at other options for a basin-wide approach.
- Economic information is just a portion of what needs to be included in comments.
- Randy R. reminded everyone it is a team effort with our strong Congressional Delegates.

Financial Report

- Paul T. gave financial report. Have 69% of anticipated income and have spent 43%. Total balance is \$125,794.
- Dave commented, Walleye Chapter has not received a letter. Larry said Walleye's requests will go out this month. Dave also added, City of Havre's donation will be sent soon.

Executive Directors Report

- Larry said today is what we've been working for.
- The siphon trailer is parked in front of MSU-N Sub. There are thank you signs for those who have donated to the effort. If there are donors who need to be added to the trailer, make sure to let Larry know. Would like to add Blackfeet Logo and Fort Belknap Logo as well as Congressmen's non-political logos.
- Larry and Paul A. will attend BOR Managing for Excellence workshop on Sept 19-20, in Salt Lake City.
- Larry and John Tubbs will attend NWRA Water and Money workshop on Sept 22 in San Diego.

Approved Meeting Notes

Working Group Comments

- Gary Anderson feels the general public feeling is they don't need to support the St. Mary/Milk River Effort, because the SMWG is doing it.
- Larry said apathy develops in communities once a group is developed. It is easier to let the group take the project and run with it. Appears like the public has a lot of trust in SMWG, and if we need community support they will be there. Hope there is a nice showing of the public for the Senator's benefit. However, the people that really need to be at the Senate field hearing is the SMWG.
- Max Maddox said it has been fortunate to have this year's water supply. It has been much better that most years, even with the really hot months of July and August. The consistent water supply may have given irrigators a little false security. Need to continue to update the public on the St. Mary/Milk River effort, and the public will be there to support the effort when we need them.
- Paul T. said he expects a very good turn out at the Senate Field hearing.
- Representative Denny Rehberg's staffer, Seth Broesder, added it is common for few
 people to attend Senate Hearings. The SMWG is a well organized core group that is
 important to the effort.
- Paul A. said today is what we have worked for as a working group. We have made a lot of progress as a group and continue to work.
- Dolores said this is a wonderful opportunity and feels people want to be included. She has heard that the public doesn't get enough information. Need to do more outreach and invite those who have donated to the meetings.
- Mike Daily said an initial meeting to form the SMWG was attended by 250 people and 64 people signed up to create this group. Those 64 had to be reduced to the 16 individuals that currently serve on the SMWG. He firmly believes support for the SMWG is out there.
- Tubbs said it is a large geographic region for people to continue to stay involved. Today's hearing has national focus. The newscasts will give statewide coverage. The SMWG will be reaching out to more people today than ever before.
- Individual approached SMWG commenting that he has attended several SMWG meetings and he can not hear the discussion. Suggested using a sound system so the audience can hear.

Summary of Agreements

Approved SMWG Aug 17 meeting notes.

Summary of Action Items

- Written comments in by September 8th to Sarah Converse.
- Get names and logos of donors to Larry for the siphon trailer.

Next Meeting

• September 27 in Glasgow depending on actions in Congress. (If only an informational meeting, the next meeting may be set up as video conference.)